

Date Mailed
February 28, 2002

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Mid-Plains, Inc for Approval of an Alternative
Regulation Plan

3650-TI-107

**NOTICE OF PROCEEDING, INVESTIGATION, ASSESSMENT
OF COSTS, PREHEARING CONFERENCE, REQUEST FOR
COMMENTS, HEARING, AND ORDER**

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| Prehearing Conference Date: | Wednesday, March 20, 2002 – 10:00 a.m. |
| Prehearing Conference Location: | Public Service Commission, 610 North Whitney Way, Madison, WI |

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| Comments Due: Wednesday, April 17, 2002 – Noon | Address Comments To: David Albino, Administrator Telecommunications Division Public Service Commission P.O. Box 7854 Madison, WI 53707-7854 FAX (608) 266-3957 |
| FAX Due: Tuesday, April 16, 2002 – Noon | |

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| Hearing Date: | Thursday, April 18, 2002 – 10:00 a.m. and 7:00 p.m. |
| Hearing Location: | Public Service Commission, 610 North Whitney Way, Madison, WI |

THIS IS A PROCEEDING under Wis. Stat. § 196.195(12) to consider whether it is in the public interest to modify and extend an alternative regulation plan (Plan) for Mid-Plains, Inc. (Mid-Plains), and if so, what provisions should be included in the Plan. Wis. Stat. § 196.195(12)(b)3. directs the Commission to regulate telecommunications utilities with the goal of developing alternative forms of regulation and to approve an incentive regulatory plan for each telecommunications utility in the state. Pursuant to Wis. Stat. § 196.195(12)(b), the Commission shall identify all of the following in making a determination as to whether the Plan is in the public interest:

- (a) The goals to be achieved, which may include promoting competition, infrastructure deployment, economic development, consumer choice, productivity, efficiency, quality of life, societal goals, or universal service.
- (b) The authorized incentive and how the incentive is expected to help achieve the identified goals.
- (c) The measurement to be used to evaluate successful attainment of the identified goals.

On August 28, 1996, the Commission approved an alternative regulation plan for Mid-Plains (1996 Plan).¹ The 1996 Plan included provisions to allow rate flexibility and eliminate regulation of earnings, in exchange for commitments related to service quality, infrastructure, and access rates. Subsequent Commission rulings effectively opened up Mid-Plains' franchise territory to competition.² On September 4, 2001, a merger between TDS Telecom, Inc. (TDS), and Chorus Communications, Inc. (Chorus), was completed. Before the merger, Chorus was the parent company of Mid-Plains. As a result of this merger, both Mid-Plains and one of its competitors, TDS Metrocom, Inc., are under the ultimate common ownership of TDS.

On April 16, 2001, Mid-Plains filed a proposed alternative regulation plan under Wis. Stat. § 196.195(12). The Plan as proposed by Mid-Plains would maintain the 15 percent maximum increase to basic local exchange service rates authorized under the 1996 plan, but eliminate service quality and infrastructure requirements as prerequisites for such increases. Other changes to the 1996 Plan include the elimination of a requirement that basic residential rates be no more than the statewide average, the addition of a requirement to file unbundled network element tariffs, and suspension of certain statutory sections. Copies of Mid-Plains' proposal may be obtained by written request to Jean Pauk, TDS Telecom, P.O. Box 5158, Madison, Wisconsin 53705-0158 or by e-mail addressed to jean.pauk@tdstelecom.com.

NOTICE IS GIVEN that the Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of Mid-Plains. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from Mid-Plains in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

A prehearing conference will be held beginning on Wednesday, March 20, 2002, at 10:00 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding

¹ Findings of Fact, Conclusions of Law and Order, *Application of Mid-Plains Telephone, Inc., for Authority to Implement a Regulatory Method Alternative to Traditional Rate-or-Return Regulation*, docket 3650-TI-102.

² Findings of Fact, Conclusions of Law, Interim Order, Final Order, and Certificates, *Investigation into the Request of TDS Datacom, Inc., Pursuant to 47 U.S.C. § 251(f)(1) to Terminate the Rural Telephone Company Exemption of Mid-Plains, Inc., et al.*, dockets 05-TI-172/2875-NC-101/3650-TI-102/5845-NC-101 (May 14, 1998).

Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the docket coordinator listed below.

The prehearing conference is being held to: (1) identify persons who will actively participate as full parties; (2) identify issues; (3) specify dates for filing testimony and exhibits; and (4) any other matters that will facilitate the hearing.

Parties will be bound by the designation of issues and the schedule adopted at the prehearing conference. Persons who consider themselves to be potential parties should participate in the prehearing conference. Any person desiring to become a party shall file a request pursuant to Wis. Stat. § 227.44(2m) and Wis. Admin. Code § PSC 2.32(3) no later than 14 days from the date of this notice. The request shall be addressed to Administrative Law Judge David C. Whitcomb, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, Wisconsin 53707-7854.

A hearing will be held beginning on Thursday, April 18, 2002, at 10:00 a.m. and 7:00 p.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the docket coordinator listed below.

Mid-Plains is responsible for giving notice to customers of the filing of its application with the Commission and of the hearing scheduled herein. Mid-Plains is responsible for producing proof of notice at the hearing.

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

Members of the public who cannot attend the hearing, but wish to comment on Mid-Plains' proposed Plans should submit written comments as indicated in the box on page 1. Members of the public need only file an original. These comments must be received by noon on Wednesday, April 17, 2002. Comments by fax are due one day earlier. Fax filing cover sheets must state "Official Filing" and include the docket number and the number of pages (limit of 20 pages). File by one mode only.

IT IS ORDERED that the Commission's August 28, 1996, order in docket 3650-TI-102 be and is hereby extended to the earlier of the effective date of the new plan or June 30, 2002. During this period, Mid-Plains shall not increase rates on regulated services. All other terms and conditions of the Commission's order remain in effect.

Docket 3650-TI-107

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the docket coordinator listed below.

Questions regarding this matter may be directed to docket coordinator Christopher Larson at (608) 267-9508.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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